

# Ask

# SHIP



LOCAL HELP FOR PEOPLE WITH MEDICARE

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**Q:** I am 64 and recently started thinking about Medicare. What do I need to know before I become eligible at age 65?

**A:** Medicare is health insurance for people age 65 or older, under age 65 with certain disabilities, and at any age with End-Stage Renal Disease (ESRD, permanent kidney failure requiring dialysis or a kidney transplant), so you will be eligible when you turn 65. It is good to be knowledgeable about your choices now to get prepared.

One first option to consider is that you may be able to keep your retiree insurance coverage.

You can break the Medicare process down in to three steps:

1. Decide if you will use Original Medicare with a supplemental insurance policy or a Medicare Advantage Plan. Most people get their health care coverage through Original Medicare or a Medicare Advantage Plan (like an HMO or PPO). Your costs vary depending on your coverage and the services you use.

Original Medicare, which provides Medicare Part A

and Part B coverage, is a fee-for-service plan managed by the Federal government. This means you are usually charged for each health care service or supply you get. For some services, you will pay an amount called a deductible before Medicare pays its part. Then, when you get a Medicare-covered medical supply or service, Medicare pays its share of the cost of the supply or service, and you pay your share, called the coinsurance or a copayment. You can also join a Medicare Prescription Drug Plan to get Part D coverage.

Medicare Part A helps cover inpatient care in hospitals. This includes critical access hospitals and inpatient rehabilitation facilities, hospice care, home health care, and skilled nursing facilities (not custodial or long-term care). Medicare Part B helps cover medically-necessary services like doctors' services, outpatient care, and other medical services.

Most people who use Original Medicare Parts A and B purchase Medicare supplement insurance (also known as Medigap).

Medigap plans help pay for the deductible, co-pays or co-insurance services not covered by Medicare.

Medicare Advantage Plans are health plan options that are approved by Medicare and run by private companies. These plans are part of Medicare, and are sometimes called "Part C" Plans. They provide all your Part A and Part B covered services and most include Medicare prescription drug coverage (usually for an extra cost).

2. Decide on which Part D drug plan best fits your needs. Medicare offers prescription drug coverage (Part D) for everyone with Medicare. This coverage may help you lower your prescription drug costs and help you protect against higher costs in the future. In 2010, there are 44 Medicare Prescription Drug Plans (PDPs) available with \$23.10 as the lowest monthly premium for a PDP in the state of Indiana. To get Medicare drug coverage, you must join a plan run by an insurance company or other private company approved by Medicare.

3. Find out where to get help with Medicare costs (for those who qualify). If you have limited income and resources, your state may help pay Medicare premiums and, in some cases, may also pay Medicare deductibles and coinsurance.

**Extra Help:** Some people with limited income and resources are eligible for Extra Help to pay for the costs-monthly premiums, annual deductibles, and prescription co-payments—related to a Medicare prescription drug plan. To qualify, your resources must be limited to \$12,510 for an individual or \$25,010 for a married couple living together. Your annual income must also be limited to \$16,245 for an individual or \$21,855 for a married couple living together. Even if your annual income is higher, you still may be able to get some help.

**Hoosier Rx:** Indiana's State Pharmaceutical Assistance Program, HoosierRx, may help pay the monthly Part D premium, up to \$70 per month, for members enrolled in a Medicare Part D Plan working with HoosierRx who meet certain criteria.

To speak to a HoosierRx representative call 1-866-267-4679 or visit the

HoosierRx website at [www.IN.gov/HoosierRx](http://www.IN.gov/HoosierRx).

To apply for Medicare, you can call or visit your local Social Security office or call Social Security at 1-800-772-1213. You may also apply online at [www.socialsecurity.gov](http://www.socialsecurity.gov).

If you would like more information about Medicare, Medicaid, or health insurance, call SHIP for help at 1-800-452-4800, TTY 1-866-846-0139 or online at [www.medicare.in.gov](http://www.medicare.in.gov).